



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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August 5, 1997

Jay Gatten  
Pearl Queen Perlite Corporation  
472 North Main Street  
Kaysville, Utah 84037-6453

Re: Conditional Final Approval of Form and Amount of Reclamation Surety, Pearl Queen Perlite Corporation, Pearl Queen Perlite Mine, M/001/027, Beaver County, Utah

Dear Mr. Gatten:

On July 30, 1997, the Board of Oil, Gas and Mining formally approved the form and amount of reclamation surety for Pearl Queen Perlite Corporation's (PQP) Pearl Queen Perlite Mine. The \$36,300 reclamation surety is in the form of a Letter of Credit (# [REDACTED]) issued by Key Bank National Association. The Division hereby grants its final approval of this project and the reclamation surety subject to the following conditions (as taken from PQP's commitment letter dated July 16, 1997):

1. Before conducting any additional surface disturbance beyond that which exists under the small mining permit, PQP shall cause to be conducted a formal cultural resources survey by a Utah State Historical Society-Approved Archaeological company.

Through said survey, the new surface areas to be disturbed will have any cultural resource sites of value documented, and if necessary, mitigated further through additional study and/or excavation, in accordance with standard, applicable regulation governing the disturbance of such sites and cultural resources.

2. PQP will promptly erect signs, prior to July 30, 1997, which clearly state "No Further Disturbance" for all areas other than the presently disturbed areas. These signs shall form a continuous boundary around the presently disturbed mining area (not including the mine access road) and shall provide notification to all parties of the boundary between the disturbed and undisturbed areas. These signs shall be placed along this boundary at intervals of such frequency that from any sign, the signs to either side of said sign can be clearly viewed. PQP shall not disturb surface areas outside of this boundary without first conducting the cultural resources mitigation as outlined in condition #1 above.
3. Prior to PQP disturbing any new surface areas, PQP shall conduct a location survey of the present disturbed areas. Such survey, conducted by GPS or similar accurate survey methods,

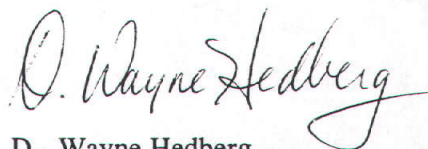
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shall serve to delineate clearly the disturbed area on a map of a scale not greater than 1" = 1,000'. PQP shall provide a certified copy of this survey map to the Division for its use.

By its July 16, 1997 letter, PQP has committed to fulfilling these conditions. PQP may now proceed with the large mining project according to the approved large mining permit and the conditions as outlined in this letter.

Enclosed please find copies of the fully signed and executed Reclamation Contract with accompanying Letter of Credit for your files. We will forward a copy of the formal Board Order to you once it is finalized by the Board's counsel. Thank you for your time, cooperation and patience in helping finalize this permitting action. Please call me if you have any questions in this regard.

Sincerely,

A handwritten signature in cursive script that reads "D. Wayne Hedberg". The signature is written in dark ink and is positioned above the printed name and title.

D. Wayne Hedberg  
Permit Supervisor  
Minerals Regulatory Program

jb  
Enclosure  
M001027.apv